

# Carlsbad Field Office OCD Artesia

Form 3160-5  
(June 2015)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No. 025777  
NM-02577 and NM-106714

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE - Other instructions on page 2**

1. Type of Well

Oil Well     Gas Well     Other

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No. Keohane 24 Federal #1,2,3,4

2. Name of Operator George A Chase Jr. DBA G and C Service

9. API Well No. 30-015-22732, 25441, 25814, 29624

3a. Address PO Box 1518, Artesia, NM 88211-1518

3b. Phone No. (include area code)  
(575) 703-6604

10. Field and Pool or Exploratory Area  
Shugart, Yates-7rivers-Queen-Grayburg

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
T18S, 31E, Sec 24: #1 2310 FEL & 330 FSL, #2 2310 FSL & 2200' FEL, #3 2200 FSL & 990 FEL, #4 1650 SL & 990 FEL

11. Country or Parish, State  
Eddy, New Mexico

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

| TYPE OF SUBMISSION                                   | TYPE OF ACTION                                |   |  |   |
|--|---|---|--|---|
| <input checked="" type="checkbox"/> Notice of Intent | <input type="checkbox"/> Acidize              | <input type="checkbox"/> Deepen               | <input type="checkbox"/> Production (Start/Resume) | <input type="checkbox"/> Water Shut-Off   |
| <input type="checkbox"/> Subsequent Report           | <input type="checkbox"/> Alter Casing         | <input type="checkbox"/> Hydraulic Fracturing | <input type="checkbox"/> Reclamation               | <input type="checkbox"/> Well Integrity   |
| <input type="checkbox"/> Final Abandonment Notice    | <input type="checkbox"/> Casing Repair        | <input type="checkbox"/> New Construction     | <input type="checkbox"/> Recomplete                | <input checked="" type="checkbox"/> Other |
|  | <input type="checkbox"/> Change Plans         | <input type="checkbox"/> Plug and Abandon     | <input type="checkbox"/> Temporarily Abandon       | Surface Comingling                        |
|  | <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Plug Back            | <input type="checkbox"/> Water Disposal            |   |

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

George Chase Jr, DBA G and C Service request approval to comingling the Keohane 24 Federal #1,2,3 and 4 wells into a common tank battery. The effected leases are ~~NM-0257~~ and NM-106714.

NM 025777

Attached to this Sundry Notice is a detailed list of data required.

**NM OIL CONSERVATION**  
ARTESIA DISTRICT

SEP 26 2017

RECEIVED

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)

George A. Chase Jr, DBA G and C Service

Owner  
Title

Signature

Date 2/22/2017

THE SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title TL PET

Date 9/15/2017

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office CFO

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

*RWP 9-27-17*

ATTACHMENT TO FORM 3160-5  
SUNDRY NOTICES AND REPORTS ON WELLS  
Notice of intent to comingle

**List of wells**

Keohane Federal #1  
Lease # NM025777  
API 30-015-22732  
Section 24, T18S, R31E; SWSE/4  
Shugart Yates-Seven Rivers-Queen-Grayburg Pool Code 56439  
Production 2.3 BOPD, 0 MCFD  
Oil Gravity Avg.: 27.8 @ 60 F  
Gas BTU N/A

Keohane Federal #2  
Lease # NM106714  
API 30-015-25441  
Section 24, T18S, R31E; NWSE/4  
Shugart Yates-Seven Rivers-Queen-Grayburg Pool Code 56439  
Production 5.9 BOPD, 0 MCFD  
Oil Gravity Avg.: 27.8 @ 60 F  
Gas BTU N/A

Keohane Federal #3  
Lease # NM106714  
API 30-015-25814  
Section 24, T18S, R31E; NESE/4  
Shugart Yates-Seven Rivers-Queen-Grayburg Pool Code 56439  
Production 2.6 BOPD, 0 MCFD  
Oil Gravity Avg.: 27.8 @ 60 F  
Gas BTU N/A

Keohane Federal #4  
Lease # NM106714  
API 30-015-29624  
Section 24, T18S, R31E; NESE/4  
Shugart Yates-Seven Rivers-Queen-Grayburg Pool Code 56439  
Production 1 BOPD, 0 MCFD  
Oil Gravity Avg.: 27.8 @ 60 F  
Gas BTU N/A

**Details of proposed method of measurement and allocation of production for each lease or agreement.**

The oil will be collected in the Keohane Federal tank battery located in the SWSE/4 of section 24, T18S, R31E and measured by tank gauge. See exhibits 1, page 2.

Testing will be conducted by isolating each well each month for a 24 hour period. A ratio of production by well will be used to for purposes of allocating production monthly.

The measurement point will be at the tank battery located in the SWSE/4, sec 24, T18S, R31E

**Evidence that Federal Royalties will not be reduced by commingling**

The oil produced from all the wells are from the same field and reservoir, specifically the Shugart Yates, 7 Rivers, Queen/Grayburg.

See the November 2016 and February 2017 run Statement from Holly Frontier attached as Exhibit 2 page 1 & 2. This exhibit shows the gravity measured from the lease and also shows that the price is the same regardless of gravity.

The oil price will be the same before AND after comingling since these wells produce from the same zone.

There is no gas being produced on this lease

This oil is sold as Sour Crude

**Current facility Diagram**

See Exhibit #1 page 3 attached showing a tank diagram

**Tank Battery (Testing Facility)**

See Exhibit #1 page 3 – Facility Diagram

**Maps**

See Exhibit 1, page 1 which is a land plat showing the Lease Boundaries, Lease Serial Numbers, Section Township, Range and Well Locations. Exhibit 1 Page 2 shows the location of the tank battery which will be used for storage and measurement.

**Copy of serial register page from LR2000**

Exhibit 3 Part 1 shows the BLM Case Record (Live) Serial Register Page for the Lease #NMNM106714 and shows that the royalty Rate is 12 ½%

Exhibit 3 Part 2 shows the BLM Case Record (Live) Serial Register Page for the Lease #NMNM25777 and shows that the royalty Rate is 12 ½%

**Interest owners have been notified for the purpose of surface comingling**

These leases are identical in ownership, owners are eager to get the leases comingled.

**Justification for comingling**

See Exhibit 4, pages 1-5: Production curves for each well and the combination of all 4 wells  
See Exhibit 5, pages 1-5; Economic runs showing production forecasts and cash flow for each well and a total for all 4 wells. The production and declines used in this exhibit were obtained by using the Production curves shown in exhibit 4. These economics were run using the Working Interest, Revenue interests, current oil price and operating expenses reported by the operator. Following are the estimated economics for the Keohane 24 Federal wells:

| Well        | Lease | Net<br>Future<br>Bbls | Net<br>Future<br>Revenue | NPV<br>10% Disc. | Percent<br>Of Battery |
|-------------|-------|-----------------------|--------------------------|------------------|-----------------------|
| #1          |       | 4,128                 | \$32,060                 | \$35,609         | 23.68%                |
| #2          |       | 4,128                 | \$32,060                 | \$35,609         | 23.68%                |
| #3          |       | 4,403                 | \$44,197                 | \$43,540         | 28.96%                |
| #4          |       | 4,128                 | \$32,060                 | \$35,609         | 23.68%                |
| Total Lease |       | 16,787                | \$140,307                | \$150,367        | 100.00%               |

It is estimated that it would cost approximately \$55,000 to build a new tank battery on the Keohane 24 Fed #1 lease, See Exhibit 6. Using the figures presented it is apparent that if a new battery would be needed for the Keohane 24 Fed Lease it would cost approximately 1/3 of the discounted value of the net income stream for the lease.

**Conclusion**

If a new battery is required for the Keohane 24 Fed lease the Keohane 24 Fed #1 would have to be shut down, plugged and abandoned resulting in a loss of revenues for all owners including the United States of America.

We hereby request approval to comingle these two leases at the surface.



Facility Diagram

Keonane 24 Federal  
NANM 106714 & NANM 025777  
24-185-31E  
Eddy County, New Mexico

Production Phase OTI

Valve 1 Sealed closed  
Valve 2: Open  
Valve 3: Closed-sealed  
Valve 4,5: Sealed closed

Sales Phase OTI

Valve 1: Sealed closed  
Valve 2,3: Sealed close  
Valve 5 Sealed close  
Valve 4: Open

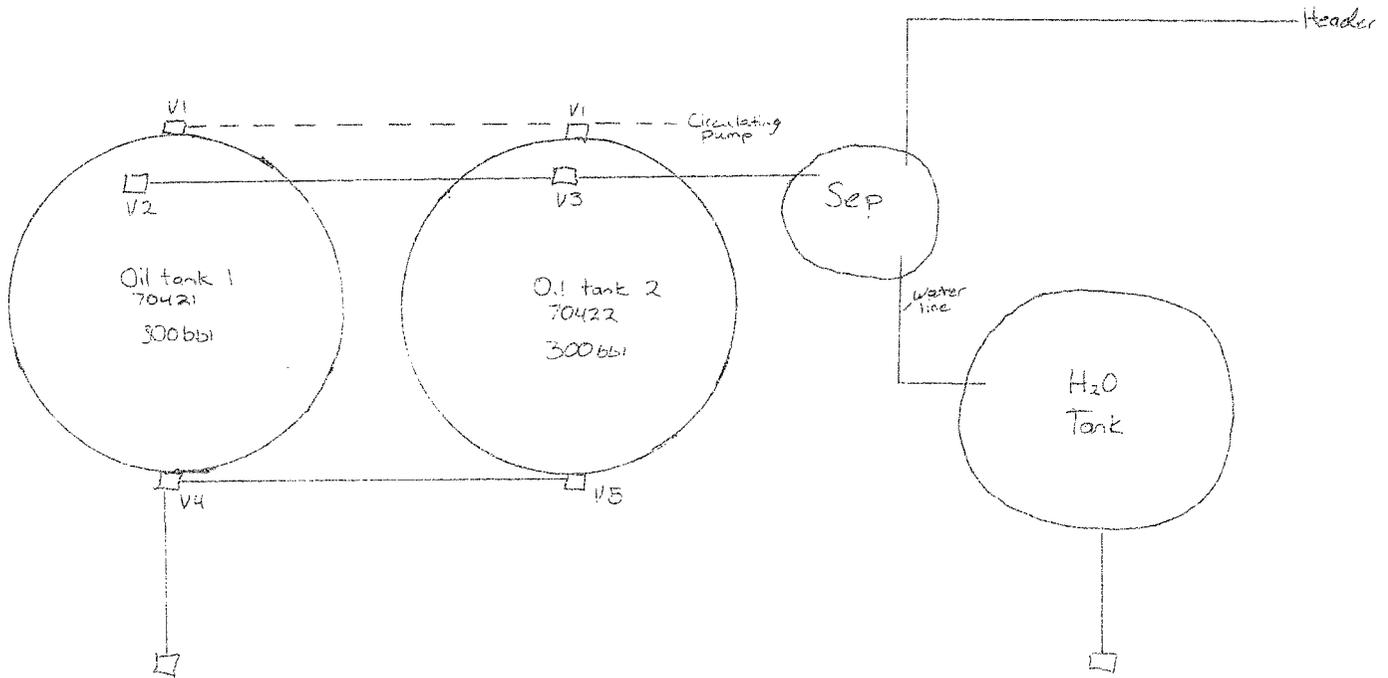


Exhibit 1; page 3 - Facility Diagram

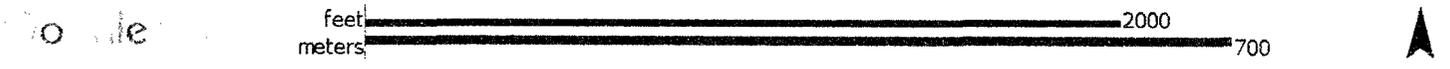
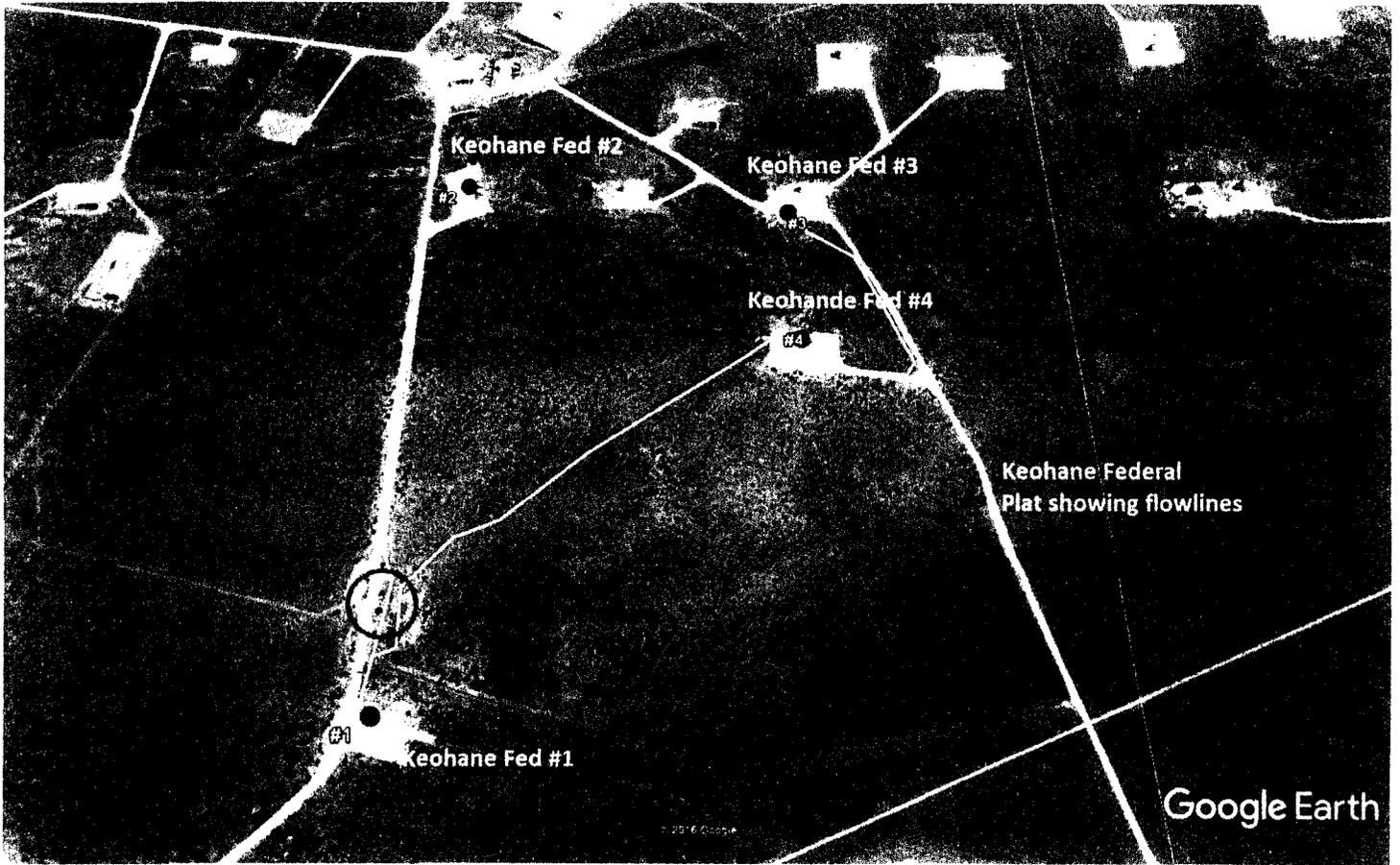


Exhibit 1; page 2 - Google Earth Image showing wells, battery and flowlines on lease

BUREAU OF LAND MANAGEMENT  
 CASE RECORDATION  
 (LIVE) SERIAL REGISTER PAGE

Run Date/Time: 02/21/17 09:08 AM

01 02-25-1920;041STAT0437;30USC226

Total Acres  
 240.000

Serial Number  
 NMNM-- - 106714

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- - 106714

| Name & Address           |                            |                      | Int Rel          | %Interest    |
|--------------------------|----------------------------|----------------------|------------------|--------------|
| 18-31 INC                | PO BOX 1120                | ROSWELL NM 88201     | LESSEE           | 100.00000000 |
| CHASE GEORGE JR          | PO BOX 1618                | ARTESIA NM 88211618  | OPERATING RIGHTS | 0.00000000   |
| CHI OPERATING INC        | PO BOX 1799                | MIDLAND TX 797021799 | OPERATING RIGHTS | 0.00000000   |
| ENDURANCE PROPERTIES INC | 15455 DALLAS PKWY STE 1050 | ADDISON TX 750016721 | OPERATING RIGHTS | 0.00000000   |
| SM ENERGY CO             | 1775 SHERMAN ST STE 1200   | DENVER CO 802031100  | OPERATING RIGHTS | 0.00000000   |
| TRITEX ENERGY A LP       | 15455 DALLAS PKWY STE 600  | ADDISON TX 750016760 | OPERATING RIGHTS | 0.00000000   |

Serial Number: NMNM-- - 106714

| Mer Twp | Rng   | Sec   | SType | Nr Suff | Subdivision | District/Resource Area | County | Mgmt Agency         |
|---------|-------|-------|-------|---------|-------------|------------------------|--------|---------------------|
| 23      | 0180S | 0310E | 024   | ALIQ    | NE,N2SE:    | CARLSBAD FIELD OFFICE  | EDDY   | BUREAU OF LAND MGMT |

Serial Number: NMNM-- - 106714

| Act Date   | Code | Action                   | Action Remarks           | Pending Office |
|------------|------|--------------------------|--------------------------|----------------|
| 06/01/1951 | 387  | CASE ESTABLISHED         |                          |                |
| 06/01/1951 | 496  | FUND CODE                | 05:145003                |                |
| 06/01/1951 | 530  | RLTY RATE - 12 1/2%      | < - Royalty Rate 12 1/2% |                |
| 06/01/1951 | 855  | EFFECTIVE DATE           |                          |                |
| 05/03/1961 | 650  | HELD BY PROD - ACTUAL    |                          |                |
| 05/03/1961 | 658  | MEMO OF 1ST PROD-ACTUAL  |                          |                |
| 03/01/2000 | 209  | CASE CREATED BY SEGR     | OUT OF NMNM 005700;      |                |
| 03/01/2000 | 232  | LEASE COMMITTED TO UNIT  | NMNM101361X;E SHUGART    |                |
| 03/01/2000 | 801  | RLTY RED-STRIPPER WELL   | 11 7; 2;                 |                |
| 07/17/2001 | 971  | AUTOMATED RECORD VERIFY  | EQ                       |                |
| 09/12/2001 | 932  | TRF OPER RIGHTS FILED    | FISHER, ST MARY LAND     |                |
| 09/12/2001 | 932  | TRF OPER RIGHTS FILED    | WALLACE, ST MARY LAND    |                |
| 09/12/2001 | 932  | TRF OPER RIGHTS FILED    | WRATHER, ST MARY LAND    |                |
| 09/27/2001 | 932  | TRF OPER RIGHTS FILED    | CLEMENS, ST MARY LAND    |                |
| 10/01/2001 | 932  | TRF OPER RIGHTS FILED    | FOX, ST MARY;            |                |
| 10/01/2001 | 932  | TRF OPER RIGHTS FILED    | RIVERSIDE ENR CORP, I    |                |
| 10/09/2001 | 932  | TRF OPER RIGHTS FILED    | LEE, ST MARY;            |                |
| 10/12/2001 | 932  | TRF OPER RIGHTS FILED    | 18-31 INC/CHI;           |                |
| 11/08/2001 | 933  | TRF OPER RIGHTS APPROVED | 01EFF 10/01/01;          |                |
| 11/08/2001 | 933  | TRF OPER RIGHTS APPROVED | 00EFF 10/01/01;          |                |
| 11/08/2001 | 933  | TRF OPER RIGHTS APPROVED | 10EFF 10/01/01;          |                |
| 11/08/2001 | 933  | TRF OPER RIGHTS APPROVED | 04EFF 10/01/01;          |                |
| 11/08/2001 | 974  | AUTOMATED RECORD VERIFY  | XX                       |                |
| 01/16/2002 | 263  | CASE MICROFILMED/SCANNED |                          |                |
| 03/14/2002 | 933  | TRF OPER RIGHTS APPROVED | EFF 01/01/01;            |                |
| 03/14/2002 | 974  | AUTOMATED RECORD VERIFY  | AP                       |                |
| 03/12/2003 | 933  | TRF OPER RIGHTS APPROVED | 01EFF 11/01/01;          |                |
| 03/12/2003 | 933  | TRF OPER RIGHTS APPROVED | 00EFF 11/01/01;          |                |

BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(LIVE) SERIAL REGISTER PAGE

Run Date/Time: 02/21/17 09:09 AM

01 02-25-1920;041STAT0437;30USC226

Total Acres  
80.000

Serial Number  
NMNM-- 0 025777

Case Type 311111: O&G LSE NONCOMP PUB LAND

Commodity 459: OIL & GAS

Case Disposition: AUTHORIZED Case File Juris:

Serial Number: NMNM-- 0 025777

| Name & Address              |                            |                        | Int Rel          | %Interest    |
|-----------------------------|----------------------------|------------------------|------------------|--------------|
| 18-31 INC                   | PO BOX 1120                | ROSWELL NM 88201       | LESSEE           | 100.00000000 |
| ACORN RESOURCES INC         | PO BOX 9665                | TULSA OK 741570665     | OPERATING RIGHTS | 0.00000000   |
| AMELUNXEN C                 | 662 ARMENTA ST             | SANTA FE NM 87501      | OPERATING RIGHTS | 0.00000000   |
| BENEDICT GEORGE             | RR 2 2008 E PINE           | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| BIZZLE VAL G                | PO BOX 4703                | RUIDOSO NM 88345       | OPERATING RIGHTS | 0.00000000   |
| BLAKENEY FLOYD              | 2603 N WASHINGTON          | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| CARGILL KEN                 | PO BOX 6                   | DENVER CO 80231        | OPERATING RIGHTS | 0.00000000   |
| CARLSBAD NATL BANK          | PO BOX 1359                | CARLSBAD NM 88202      | OPERATING RIGHTS | 0.00000000   |
| CARTHEL THEODORE H          | PO BOX 1611                | AMARILLO TX 79181      | OPERATING RIGHTS | 0.00000000   |
| CHASE GEORGE JR             | PO BOX 1618                | ARTESIA NM 882111618   | OPERATING RIGHTS | 0.00000000   |
| COY BETTY J                 | 96 CNTY RD 3100            | AZTEC NM 87410         | OPERATING RIGHTS | 0.00000000   |
| COY CALVIN                  | 96 CNTY RD 3100            | AZTEC NM 87410         | OPERATING RIGHTS | 0.00000000   |
| DOS EQUIS OIL & GAS         | 3400 TURQUOISE             | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| ENDURANCE PROPERTIES INC    | 15455 DALLAS PKWY STE 4050 | ADDISON TX 750016721   | OPERATING RIGHTS | 0.00000000   |
| FIELD DONALD L              | 3074 KNICKERSON DR         | SAN JOSE CA 951483115  | OPERATING RIGHTS | 0.00000000   |
| FIELD DONALD L JR           | 3074 KNICKERSON DR         | SAN JOSE CA 95148      | OPERATING RIGHTS | 0.00000000   |
| GARNER BOB                  | 2613 W QUAY                | ARTESIA NM 88210       | OPERATING RIGHTS | 0.00000000   |
| GUTIERREZ ABSALON           | PO BOX 920                 | SOCORRO NM 87801       | OPERATING RIGHTS | 0.00000000   |
| HARE PRODUCTION CO          | E RR 3 BOX 55              | BLOOMFIELD NM 87413    | OPERATING RIGHTS | 0.00000000   |
| HILL AUDREY                 | 2203 JOHNSON ST            | PECOS TX 79772         | OPERATING RIGHTS | 0.00000000   |
| IKARD JIM                   | PO BOX 331                 | CARLSBAD NM 882200331  | OPERATING RIGHTS | 0.00000000   |
| IKARD PATRICIA              | PO BOX 331                 | CARLSBAD NM 882200331  | OPERATING RIGHTS | 0.00000000   |
| ISLEY ARLIE                 | 700 VICTORIA DR            | YUKON OK 73099         | OPERATING RIGHTS | 0.00000000   |
| ISLEY NORMA                 | 700 VICTORIA DR            | YUKON OK 73099         | OPERATING RIGHTS | 0.00000000   |
| IVERSON CLAIRE ANN          | 2005 KIDWELL ST            | DALLAS TX 75214        | OPERATING RIGHTS | 0.00000000   |
| IVERSON SIEGFRIED JAMES III | PO BOX 4095                | MIDLAND TX 79704       | OPERATING RIGHTS | 0.00000000   |
| IVERSON WENDELL W           | PO BOX 1343                | MIDLAND TX 79702       | OPERATING RIGHTS | 0.00000000   |
| IVERSON-PAGE PATSY          | 1155 MUIRLANDS VISTA WAY   | LA JOLLA CA 92037      | OPERATING RIGHTS | 0.00000000   |
| LEE ROBERT S                | 403 CHICC DR               | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| MEWBOURNE CURTIS W          | PO BOX 7698                | TYLER TX 757117698     | OPERATING RIGHTS | 0.00000000   |
| MILLER OLGA E               | PO BOX 1611                | AMARILLO TX 79181      | OPERATING RIGHTS | 0.00000000   |
| OLYMPIC OG CORP             | 1000 LOUISIANA #6770       | HOUSTON TX 77002       | OPERATING RIGHTS | 0.00000000   |
| ONEY SANDRA                 | PO BOX 513                 | MALAKOFF TX 75148      | OPERATING RIGHTS | 0.00000000   |
| ONEY TROY                   | PO BOX 513                 | MALAKOFF TX 75148      | OPERATING RIGHTS | 0.00000000   |
| PATTILLO VICKI              | 11 PANAMA CT #107          | GRANBURY TX 76048      | OPERATING RIGHTS | 0.00000000   |
| PICKERING RONALD L          | 4761 COUNTRY PL            | LAS CRUCES NM 88305    | OPERATING RIGHTS | 0.00000000   |
| RAY WESTALL OPER INC        | PO BOX 4                   | LOCO HILLS NM 88255    | OPERATING RIGHTS | 0.00000000   |
| RIVERHILL ENERGY CO         | PO BOX 2726                | MIDLAND TX 797022726   | OPERATING RIGHTS | 0.00000000   |
| RIVERHILL ENERGY CORP       | PO BOX 5705                | MIDLAND TX 797045705   | OPERATING RIGHTS | 0.00000000   |
| SCHMIDT PAT J               | 4201 NW 60TH ST            | OKLAHOMA CITY OK 73112 | OPERATING RIGHTS | 0.00000000   |
| SCHMIDT VIRGINIA            | 4201 NW 60TH               | OKLAHOMA CITY OK 73112 | OPERATING RIGHTS | 0.00000000   |
| SHANK SANDRA W              | BOX 4                      | LOCO HILLS NM 88255    | OPERATING RIGHTS | 0.00000000   |
| SHARP ALICE                 | 104 NORTHWIND LP           | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| SHARP JOHN                  | 104 NORTHWIND LP           | ROSWELL NM 88201       | OPERATING RIGHTS | 0.00000000   |
| SIETE OIL & GAS CORP        | BOX 2523                   | ROSWELL NM 882022523   | OPERATING RIGHTS | 0.00000000   |
| SM ENERGY CO                | 1775 SHERMAN ST STE 1200   | DENVER CO 802031100    | OPERATING RIGHTS | 0.00000000   |
| SOLDOW MARY G               | PO BOX 1627                | SANTA FE NM 875041627  | OPERATING RIGHTS | 0.00000000   |
| SPINDLETOP OG CO            | 9319 LBJ FWY #205          | DALLAS TX 75243        | OPERATING RIGHTS | 0.00000000   |
| TRITEX ENERGY A LP          | 15455 DALLAS PKWY STE 600  | ADDISON TX 750016760   | OPERATING RIGHTS | 0.00000000   |
| WESTALL FAMILY OIL PROP LLC | PO BOX 1554                | HOPE NM 88255          | OPERATING RIGHTS | 0.00000000   |
| WESTALL OIL & GAS LLC       | PO BOX 4                   | LOCO HILLS NM 88255    | OPERATING RIGHTS | 0.00000000   |
| WILSON BOBBY JOE            | BOX 1393                   | TOMBALL TX 773751393   | OPERATING RIGHTS | 0.00000000   |



**Bureau of Land Management  
Carlsbad Field Office  
620 East Greene Street  
Carlsbad, New Mexico 88220  
575-234-5972**

**Keohane 24 Federal #1 - 3001522732, Keohane 24 Federal #2 - 3001525441,  
Keohane 24 Federal #3 - 3001525814, Keohane 24 Federal #4 - 3001529624**

**George A Chase Jr. DBA, G and C Service**

September 15, 2017

**Condition of Approval**

**Surface Commingling and off lease storage, measurement and sales of oil**

1. This approval is subject to like approval by the New Mexico Oil Conservation Division.
2. This agency shall be notified of any spill or discharge as required by NTL-3A.
3. This agency reserves the right to modify or rescind approval whenever it determines continued use of the approved method may adversely affect the surface or subsurface environments or product accountability.
4. This approval does not constitute right-of-way approval for any off-lease activities. Within 30 days, an application for right-of-way approval must be submitted to the Realty Section if not already done.
5. Approval for combining production from various sources is a privilege which is granted to lessees for the purpose of aiding conservation and extending the economic life of leases. Applicants should be cognizant that failure to operate in accordance with the provisions outlined in the Authorized Officer's conditions of approval and/or subsequent stipulations or modifications will subject such approval to revocation.
6. All gas and oil subject to royalty shall be measured as per federal regulations and shall be reported to ONRR as required. All gas which is vented, flared or used on lease shall be reported as per 43 CFR 3178 & 3179 to ONRR. All gas which is vented or flared shall be subject to royalty, unless prior approval was given by the authorized officer.
7. This agency shall be notified of any change in sales method or location of sales point.
8. Additional wells and/or leases require additional commingling approvals.